

UNCLAIMED PROPERTY TOP TWENTY LIST

\$ Top 20 Names and accounts \$
We are looking for you!

Name	Amount
Church, M.S.	\$137,256.39
Gragg, J. Willard Estate	111,181.98
Mistex Oil Company	93,731.34
Hester, Eric	57,685.79
Thomas, C. E. Estate	55,957.65
Guin, Pia E.	48,918.42
Burleson, J.C.	46,854.84
Bond, James Herbert	46,846.34
Bond, Roland S.	46,846.33
Comrade Oil Company	37,480.81
Frances, Nan Estate	37,132.68
Kennedy, Hal	34,058.06
Thompson, Warren	28,206.05
Simmons, Lutelia	23,238.76
Maples, Glennon	21,067.21
Beck, E.V.	20,732.49
Magee & Sumrall	20,000.00
Johnson, J.S.	19,142.74
Beauchamp, Avis L.	17,950.47
Logista	17,812.60

HELP US FIND THESE INDIVIDUALS
TO RETURN THE MONEY!



Treasurer Bennett hosts Girls State Officers at Treasury offices by explaining how state government operates.

HOW TO WIN IF YOU LOSE OR LESS TOBACCO MONEY IS A GOOD THING

“The sky is not falling. Modern-day Chicken Littles are sounding dire warnings of reduced revenues due to shrinking tobacco payments. The alarmists should hit the snooze button and wake up to the reality that this has been planned since the beginning.”

That’s what we wanted to hear about when we invited Mississippi Attorney General Mike Moore to speak at NAST’s annual conference last month in Biloxi, Miss. Instead he reminded us of about what the tobacco suit was all about – people dead and alive!

In the beginning, General Moore couldn’t get a time to discuss the option of suing tobacco companies at his association’s annual meeting and it took him two years to get five states to join him. When asked about his feelings of the lawsuit, a powerful Mississippi official was quoted as saying, “It makes me want to throw up.”

But Mike pursued the lawsuit, first filed in 1993, because his angle was different from other lawsuits filed. He wasn’t asking the tobacco company to pay a smoker who freely chose to use the product. He wanted the tobacco industry to pay back to the state the costs of publicly supported healthcare that resulted from tobacco use.

In 1996, Mississippi had its first major victory in the settlement with Liggett Group Inc. Compared to the \$368 billion settlement that would eventually come, the \$5 million settlement with Liggett Group Inc. didn’t seem like a lot. But the best reward of this settlement was that the Attorney General also received tobacco documents containing market research and statistics showing cancer as the number one cause of death in the world. As a result of the Liggett Group, Inc. agreement, the other big tobacco companies eventually settled.

What would the settlement do? First, it killed the Marlboro Man and Joe Camel as symbols to youth. Next states were to take the money and use it to promote tobacco cessation. By reducing tobacco use, the health budgets of states would also be reduced and many lives would be saved.

Attorney General Moore said at our conference, “All this money begins to flow to the states. But states have forgotten what the fight was all about.” According to the Campaign for Tobacco Free Kids, teens prefer to smoke the three most heavily advertised brands of cigarettes. The tobacco industry spends \$8.4 billion per year – or more than \$23 million per day – to advertise and market its products.

We have the opportunity to countermand these efforts, but states are using the money for highways, corrections departments, and other budget items. “People should be outraged about what’s going on in this country,” added Moore. “This is the only opportunity in our nation’s history to prevent tobacco use.” When money is put in something like Mississippi’s Health Care Trust Fund, the intention is to fund health care forever. During the 2002 fiscal year, \$108 million was transferred from Mississippi’s tobacco settlement monies to fund Medicaid, leaving a balance of \$646,682,396 in the Health Care Trust Fund. During fiscal year 2003, another \$145 million will be seized from incoming tobacco settlement payments to shore up Medicaid for a second year.

When the tobacco settlement money was used for smoking cessation programs the first year following the settlement, 66 billion fewer cigarettes were sold. The more money the states get from tobacco tax, the more profitable the company is. Consequently, the less money from tobacco tax, the more successful tobacco cessation programs are. “I hope we continue to see declines in revenue because that means sales have declined and health care costs will also decline,” Mike said.

The money should mostly be spent on healthcare, including tobacco use prevention. Use some for budgets, but don’t forget the terms of the settlement that provided the money. States should be looking as if this is money from heaven. We should be good stewards of this money and put it to a good use that will last forever.



Mississippi Women’s Money Conference

Registration

BancorpSouth Center, Tupelo

Wednesday, November 13, 2002

To register for this free conference, mail or fax this completed form to: Mississippi Women’s Money Conference, c/o Mississippi Treasury Department, P.O. Box 138, Jackson, MS 39205-0138. Fax: 601-359-2001.

Name _____ Organization _____

Street/P.O. Box _____ City _____ State ____ Zip _____

Telephone _____ Fax _____ Email _____

Register online at www.treasury.state.ms.us or by telephone at 1-888-308-1997. Seating is limited, so early registration is recommended.

MISSISSIPPI TREASURY NOTES

From State Treasurer Marshall Bennett



Fall 2002

MISSISSIPPI MAINTAINS CONSERVATIVE STABLE OUTLOOK



Fiscal year 2002 was a challenging year for the nation and the state of Mississippi. Lackluster revenue, coupled with financial pressures from the terrorist attacks and falling stock prices, served up a less than rosy picture for Mississippi’s economy. Consumers have continued to support the economy, and Mississippi’s sales tax receipts remain healthy, although individual income tax receipts and corporate tax receipts have lagged behind projections and prior year collections. In fact, fiscal year 2003 promises at least as rough a ride as fiscal year 2002. Details are enclosed in this issue of Treasury Notes.

Budgets were reduced during 2002, and the Governor has requested that agencies reserve 5% of their 2003 budgets to safeguard against the bleak forecast for revenues. Last year’s cuts resulted in higher tuition at Mississippi’s universities, community colleges and junior colleges. On the bright side, the Mississippi Prepaid Affordable College Tuition (MPACT) program and the new Mississippi Affordable College Savings (MACS) program are giving families an excellent hedge against future increases. MACS holds open enrollment year round, and the MPACT enrollment period for 2002 is open until November 30. You’ll find more information on both programs in the issue.

We continue to keep a watchful eye on the state’s bonded indebtedness, while looking expectantly to the future for economic recovery. The Legislature exercised caution in issuing new bond authority during the 2002 Regular Session. Two subsequent special sessions have increased bond authority for important economic expansion projects for Nissan and Howard Computers. You’ll find the full account of bond issues in the next few pages.

I am excited to report that the Treasury’s education initiative, the Mississippi Women’s Money Conference, has become a national model for other states. The second conference, held last Fall, attracted over 1,500 participants, and provided a full day of education and empowering presentations about financial issues. This year’s conference will be held in Tupelo, at the BancorpSouth Center. Money Magazine’s Jean Chatzky returns as the keynote speaker. A host of national and local financial experts are scheduled. Mark your calendar for Wednesday, November 13, 2002, and plan to join us for this free conference. Details and registration information are provided in this issue of Treasury Notes.

It is a privilege to serve as your State Treasurer. Please feel free to visit me at the Woolfolk Building, 11th Floor, Suite A, across from the Capitol Building in Jackson. You may telephone me at 601-359-3600 or send Email to mbennett@treasury.state.ms.us. Let me hear from you on any suggestions for improving our office.

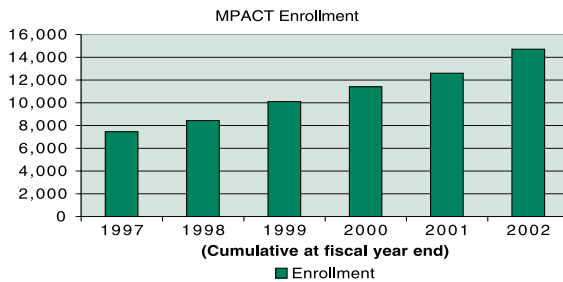
by MARSHALL BENNETT

DON’T WORRY, BE HAPPY! MAKE AN MPACT...TAKE IT TO THE MACS!

A positive result of the slowing economy, lagging revenue collections, and the bearish stock market is increased college enrollment. However, budget reductions have forced many institutions of higher education to increase tuition, a cost passed directly on to students and their families. In this time of rising costs and falling stock returns, Mississippians have the assurance that their education dollar is well-spent with two 529 college plans. The Mississippi Prepaid Affordable College Tuition (MPACT) plan, locks in higher education costs at today’s price, regardless of when the student goes to college. The Mississippi Affordable College Savings (MACS) plan is a perfect complement to MPACT, and covers college costs other than tuition and mandatory fees. Both plans are administered by the State Treasury and each offers a variety of payment options. The MPACT enrollment period for this year is open until November 30, 2002, and families interested in the MACS program can enroll at any time. In addition, families with newborns can enroll at any time during the year. Here is a comparison of the plans:

	MPACT	MACS
What does the Plan cover	MPACT covers tuition and mandatory fees.	MACS can be used for tuition, books, room and board, required supplies and equipment, and graduate school.
At what colleges may the Plan be used?	MPACT pays full tuition at Mississippi public colleges and pays private or out of state colleges tuition rates.	MACS funds may be used at any accredited college or university anywhere in the U.S.A.
What is the risk?	MPACT is guaranteed by the State of Mississippi. NO RISK!	MACS is based on Market Rates of Return with no guarantee by the State of Mississippi.
Must I be a Mississippi resident?	Either the purchaser or the child must be a Mississippi resident at the time of the purchase.	MACS has no residency prerequisites.
Must I be a relative of the Beneficiary?	You do not have to be a relative of the Beneficiary to purchase the plan.	You may purchase a MACS plan for yourself or someone else.
What age must the Beneficiary be?	The Beneficiary must be 18 or younger.	The Beneficiary may be an adult or a child.
What are the tax advantages of the plan?	MPACT earnings are exempt from Federal and State income tax. It also qualifies for the Federal Gift Tax Advantages. The purchaser is able to claim a tax deduction for Mississippi Income Tax.	MACS earnings are exempt from Federal and State income tax. It also qualifies for the Federal Gift Tax Advantages. The purchaser is able to claim a tax deduction for Mississippi Income Tax.
What is the enrollment period?	The enrollment period is from September 1 through November 30 each year. Newborns may be enrolled at any time.	You may open a MACS account at any time during the year.

For more information on either of these programs, please telephone the State Treasury at 1-800-987-4450. In Jackson call 601-359-5255. MPACT enrollment materials are available throughout the state at participating Mississippi banks. Visit us on the Internet at www.collegesavingsmississippi.com.



Jackson, Mississippi! 39205
Post Office Box 138
Treasury Department
State of Mississippi





TREASURY NOTES

COLLEGE NETWORK RECOGNIZES BENNETT WITH HIGHEST HONOR

Mississippi State Treasurer Marshall G. Bennett was recognized by the National College Savings Plans Network with its highest honor during its national conference in Biloxi, Mississippi on May 18, 2002. Bennett was presented the 2002 Distinguished Service Award, which honors outstanding service in the college savings arena. The award acknowledges Bennett's commitment to public service in making college affordable for all citizens.

"This is an honor," said Bennett, "and a testament to the progress we have made in Mississippi in the area of providing affordable education to the citizens of our state."

"Marshall has been with the Network since its beginning in 1990, learning about the programs and later developing a prepaid program and a savings plan for Mississippi," said Network Chair Diana Cantor while presenting the award. "In the past, we have been very fortunate to have been guided by outstanding leadership that has provided the network with a focus and drive to make section 529 qualified tuition plans one of the best ways to save for college. No one typifies this type of leadership and commitment more than Marshall G. Bennett."

Treasurer Bennett served as Chairman of the College Savings Plans Network from 1998–2000. He currently chairs the organization's Strategic Planning Committee, charged with planning the future direction of the nation-wide association. The Network is dedicated to enhancing communication, cooperation and effective administration among the state plans. It works to promote and enhance opportunities to make higher education an affordable reality through Section 529 qualified tuition plans.

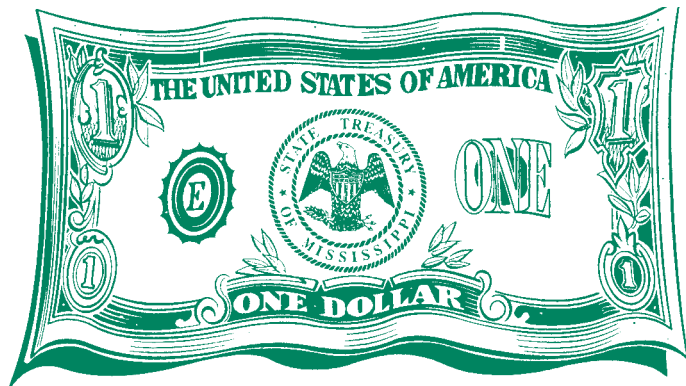
Bennett joins a distinguished list of previous winners of the CSPN Distinguished Service Award: Senator Charles E. Grassley (Iowa), Senator Max Baucus (Mont.), Senator Mitch McConnell (Ky.), Senator Bob Graham (Fla.), and Mr. Stanley Tate, founder and chairman of the board of the Florida Prepaid Tuition Program, the first plan in the nation.

As State Treasurer, Bennett's responsibilities include the issuance of State debt, responsibility for the timely payment of principal and interest on the State's bond and note obligations, and receiving, disbursing and investing State funds. The State Treasurer is responsible for the Mississippi Affordable College Tuition (MPACT) Program, the Mississippi Affordable College Savings (MACS) program, and reuniting unclaimed property with its rightful owners.

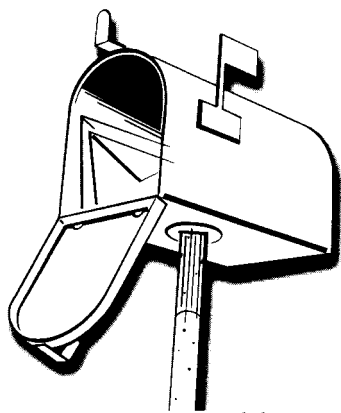
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and let us hear from you.



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MISSISSIPPI WOMEN'S MONEY CONFERENCE SET FOR NOVEMBER 13 IN TUPELO

Goal of the Conference is to Help Women Become Informed in Managing Finances

Mississippi women will have the unique opportunity to learn how to better manage finances from top financial advisors at the 2002 Mississippi Women's Money Conference, to be held at the BancorpSouth Center in Tupelo on November 13. State Treasurer Marshall Bennett announces the third statewide Women's Money Conference that will offer women free financial information about debt reduction, planned giving, retirement planning, entrepreneurship, real estate, mortgages and money management basics. According to Bennett, "The conference has been a resounding success each year. About 1,200 women attended the first conference in 2001. Last year, over 1,500 attended. We had numerous requests to provide the conference in other areas of the state as well. To that end, we're taking the conference to Tupelo in 2002, and look forward to great participation from the north Mississippi area."

The State Treasury Department and the Mississippi Women's Financial Education Foundation, will provide the one-day conference at no cost to participants. National expert speakers for the conference include Jean Chatzky, *Money* magazine editor and *Today Show* television correspondent; Dee Lee, author of *Let's Talk Money*; Delores Crockett, Field Coordinator for the Department of Labor Women's Bureau in Atlanta; and, Ann Cody, Director of Financial Research for Hilliard Lyons of Louisville, Kentucky. Attendees will receive a copy of the acclaimed *Let's Talk Money* book to get started on their own family financial plan. Other presenters include Janita Stewart, Director of the Mississippi District Office of the Small Business Administration; Tammy Craddock of Jubilations Cheesecakes; Sara Martin Fox; Ellen Rolfes; Dr. Faye Gilbert; Amy Whitten, Esq.; Dr. Glenda Segars; Libby Akers; Trentice Imbler; and E.P.Morgan; and Becky Ewing. Sessions will focus on investment clubs, consumer credit, borrowing, insurance, home loans and buying real estate, philanthropic giving, and preparing wills and managing trusts.

This year's conference will also feature a special decision lab, conducted by the MSU Social Science Research Center (SSRC). Their sessions will examine opinions and needs using selected women in the northeast Mississippi area, using 20 networked computers. Other features of the free conference include exhibits, information booths and a resource bookstore.

"We're excited to offer the women of Mississippi a top-notch financial conference, utilizing the best and brightest talents from the nation and the region," said Bennett. "This conference is for women in all walks of life – from the single mom who is struggling to manage a household budget – to the recent retiree looking for information on investment planning. The goal of the Mississippi Women's Financial Education Foundation is to truly make a difference in women's lives by helping educate and empower them to become self-reliant in managing their finances," said Bennett.

Highlights of topics from the conference, which runs from 8:30 a.m. to 4:00 p.m., include:

- Women in Business
- Philanthropy and Estate Planning
- Investments
- Personal Finances
- Real Estate and Mortgages

The conference is provided free to participants through contributions from the following sponsors:

- Bancorp South
- Salomon Smith Barney
- Hilliard Lyons
- AmSouth
- Blue Cross & Blue Shield of Mississippi
- Trustmark National Bank
- Itawamba Community College
- Mississippi State University Social Science Research Center
- Mississippi University for Women
- Tupelo Convention and Visitors Bureau
- University of Mississippi
- National Bank of Commerce
- FannieMae
- The U.S. Department of Labor Women's Bureau
- NCM Capital
- Chaldon Associates

For more info go to our Website: www.treasury.state.ms.us.



Jean Chatzky



BancorpSouth Sponsor
L to R: Mike Sappington, Marshall Bennett, Chris Creely



AmSouth Sponsor
L to R: Brett Couch, Marshall Bennett, Greg Moore



Trustmark Sponsor
L to R: Harry Walker, Marshall Bennett, Richard Hickson

IF YOU THINK 2002 WAS BAD, JUST BE PREPARED FOR 2003!

Mississippi has weathered wilting revenue growth for three fiscal years and is positioned for a fourth straight year of underperformance in the economy. Revenue for fiscal year 2002, which ended June 30, actually fell below estimate by \$268,000,000, and short of the previous year by \$72.9 million or (–2.1%). While sales tax collections grew by almost 2%, individual income tax collections were (–3.82%) below the previous year, and corporate income tax collections posted a (–7.10%) decline. Budget safeguards enacted throughout the year, including reductions to estimates and budgets, tapping the rainy day fund, and transferring monies from the Health Care Trust Fund, allowed Mississippi to end the year with a balanced budget. Our financial management system worked exactly like it was supposed to, thereby avoiding unforetold consequences and unbearable distress.

We are not alone on the landscape of revenue shortfalls. Some 45 states report lagging revenue over the past 12 months, totaling \$50 billion for 2002 alone. The reasons for lower than expected revenue are numerous. Drops in sales, capital gains and corporate and personal income taxes are partly to blame. Also, as states have been forced to borrow from reserve and special funds, interest earnings have fallen under projections. Most economists had predicted that the economy would sharply rebound during the 3rd quarter of 2002, but only a modest recovery has materialized. American consumer confidence has not been injured as badly as forecasters predicted, but the news of corporate accounting woes did inflict damage on investor confidence, further depressing the stock market during the 4th quarter.

So where do we stand for FY 2003?

The Joint Legislative Budget Committee will have a clearer picture as it begins meeting this Fall than it did in the Spring of 2002, when the view was somewhat optimistic. Not only will anticipated budget needs for 2004 be considered, but also the potential shortfall in revenue for fiscal year 2003, already underway. Should the committee choose to adopt a lower revenue forecast for this year, then agency appropriations would necessarily be reduced to keep the state's budget in balance. Governor Musgrove has already instructed agencies to withhold five percent of current year budgets during the first six months of the 2003 fiscal year, as a safeguard against possible budget cuts later in the year. If the economy rebounds by calendar year 2003, then the agencies may be able to recover the five percent reserve during the latter half of the year.

Fiscal year 2003 began with a cash balance exceeding \$14 million, most of that in funds reappropriated from the previous year. The Working Cash Stabilization Reserve Fund, the state's "rainy day" fund, began this year with a balance of \$110.6 million, significantly below the 2002 beginning balance of \$194.8 million. The fund is one of the items viewed critically by the national credit rating agencies in monitoring the state's financial condition. A significant or prolonged reduction in the fund could produce a lower bond rating, resulting in higher costs to issue bonds. Both the Governor and the Legislature should use caution in authorizing additional transfers from the Working Cash Stabilization Reserve Fund.

In summary, Mississippi is in better financial shape than many other states thanks to our leadership's prudent planning during the early 1990's when times were tough before. However, our budget safeguards were designed to offset two to four years of lagging revenue, and a buoyant economic recovery is not expected in 2003. We must be pragmatic in our approach and conservative in our budgeting and forecasting this year to avoid deep and painful budget cuts next Spring.

TREASURY NOTES



\$354 MILLION OF NEW STATE BONDS AUTHORIZED BY LEGISLATURE

The Mississippi Legislature and the State Treasurer have continued a cautionary approach to state bond debt in anticipation of the slowing economy. During the 2002 Legislative session, lawmakers and the Governor used the budget safeguards established for times of revenue shortfall, including borrowing from the Working Cash Stabilization Reserve Fund and cutting budgets. At a time when many states' bond ratings have been lowered by national rating companies, Mississippi has maintained its AA and Aa3 general obligation bond rating, a reflection of the Fitch, Standard & Poors and Moody's favorable recognition of the financial stability of our state, their positive outlook on Mississippi's economy, and confidence in our fiscal management.

During the 2002 Legislative Session and two subsequent special sessions, bond bills totaling \$354,030,000 were passed by the legislature. Approved were:

- Senate bill 3197, providing \$116,740,000 for improvements to the Institutions of Higher Learning and state agency capital improvements; \$15,000,000 for Ayers settlement for 2002; \$12,000,000 for the State Shipyard Improvement Fund; \$9,000,000 for community and junior colleges capital improvements; \$3,150,000 for the Rural Fire Truck Acquisition Assistance Fund; \$1,000,000 for the Technology Innovation Center; \$700,000 in increased authorization for the Hancock County Port and Harbor Commission and the Stennis Space Center Improvement Fund; \$500,000 for the Corinth Civil War Interpretive Center Auditorium; and, \$380,000 for capital improvements at the Holly Springs Training Center.
- House Bill 1836, providing \$18,000,000 for the Mississippi Land, Water, and Timber Resources Fund.
- House Bill 581, providing \$10,000,000 for the Small Municipalities and Limited Population Fund.
- Senate Bill 2273, providing \$10,000,000 for the acquisition and preservation of Deer Island.
- House Bill 1837, providing \$6,200,000 for the Mississippi Community Heritage Grant Fund the Mississippi Landmark Grant Program within the Historic Properties Trust Fund.
- House Bill 1834, providing \$5,250,000 in increased authorization under the Mississippi Business Investment Act and \$21,000,000 in increased authority for the Emerging Crops Fund.
- House Bill 1745, providing \$4,000,000 in increased funding for the Building Fund for the Arts through the Mississippi Arts Commission.
- House Bill 1830, providing \$1,110,000 in matching funds for the Water Pollution Control Revolving Fund.
- House Bill 1, First Special Session, providing \$68,500,000 in increased authority to the MS Major Economic Impact Act for the Nissan Project.
- Senate Bill 2001, Second Special Session, providing \$20,000,000 in increased authority to the MS Business Investment Act and \$31,500,000 in increased authority to the Major Economic Impact Act for the Howard Industries Project.

Mississippi has a positive reputation as a state which does not use debt to finance state operating expenses. If you have any questions about the state's bonded indebtedness, please telephone me at 601-359-3600, or send Email to mbennett@treasury.state.ms.us.